

1-1 By: Hall S.B. No. 1978
1-2 (In the Senate - Filed March 6, 2025; March 17, 2025, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 May 16, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 4; May 16, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Schwertner	X			
1-10	King	X			
1-11	Blanco		X		
1-12	Campbell	X			
1-13	Creighton	X			
1-14	Johnson		X		
1-15	Kolkhorst	X			
1-16	Menéndez		X		
1-17	Middleton	X			
1-18	Nichols	X			
1-19	Zaffirini		X		

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1978 By: King

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the interconnection of a facility in the ERCOT power
1-24 region to certain other facilities.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 37.051, Utilities Code, is amended by
1-27 amending Subsections (c), (c-1), (c-2), and (c-3) and adding
1-28 Subsection (c-4) to read as follows:

1-29 (c) Notwithstanding any other provision of this chapter
1-30 except Subsection (c-1) ~~[, including Subsection (a)]~~, an electric
1-31 cooperative is not required to obtain a certificate of public
1-32 convenience and necessity for the construction, installation,
1-33 operation, or extension of any generating facilities or necessary
1-34 interconnection facilities.

1-35 (c-1) In this subsection, "facility" means a facility that
1-36 consumes, generates, transmits, or distributes electricity.
1-37 Notwithstanding any other provision of this title except Section
1-38 11.009, and except as provided by Subsection (c-3) ~~[(c-2)]~~, an
1-39 electric cooperative, ~~[a person, including]~~ an electric utility, a
1-40 ~~[or]~~ municipally owned utility, or another person~~[,]~~ may not
1-41 interconnect a facility in ~~[to]~~ the ERCOT power region to a facility
1-42 located wholly or partly outside of this state or to a facility that
1-43 is connected directly or indirectly with a facility located wholly
1-44 or partly outside of this state, ~~[transmission grid that enables~~
1-45 ~~additional power to be imported into or exported out of the ERCOT~~
1-46 ~~power grid]~~ unless:

1-47 (1) the proposed interconnection will not subject the
1-48 ERCOT power region to additional federal control or jurisdiction;

1-49 (2) the commission first determines that the proposed
1-50 interconnection is in the public interest after considering:

1-51 (A) the technical attributes of the proposed
1-52 interconnection;

1-53 (B) the expected costs to the public to install,
1-54 operate, and maintain the interconnection;

1-55 (C) the results of relevant criteria adopted by
1-56 the commission under Section 37.056(d);

1-57 (D) the results of a reliability assessment
1-58 conducted by the independent organization certified under Section
1-59 39.151 for the ERCOT power region; and

1-60 (E) any other information the commission

considers appropriate;

(3) the cooperative, utility, or person applies for a public interest determination from the commission under Subdivision (2) ~~[the person obtains a certificate from the commission stating that public convenience and necessity requires or will require the interconnection. The person must apply for the certificate]~~ not later than the 180th day before the date the cooperative, utility, or person seeks any order from the Federal Energy Regulatory Commission related to the proposed interconnection; and

(4) after the cooperative, utility, or person obtains any order from the Federal Energy Regulatory Commission related to the proposed interconnection, the commission grants a certificate stating that public convenience or necessity requires or will require the interconnection.

(c-2) The commission shall apply Section 37.056 in considering an application under Subsection (c-1) ~~[this subsection]. [In addition, the commission must determine that the application is consistent with the public interest before granting the certificate.]~~ The commission may adopt rules necessary to implement Subsection (c-1) ~~[this subsection]~~. Subsection (c-1) ~~[This subsection]~~ does not apply to a facility that is in service on December 31, 2014.

(c-3) ~~[(c-2)]~~ The commission, not later than the 185th day after the date the application is filed, shall approve an application filed under Subsection (c-1) for a facility that is to be constructed under an interconnection agreement appended to an offer of settlement approved in a final order of the Federal Energy Regulatory Commission that was issued in Docket No. TX11-01-001 on or before December 31, 2014, directing physical connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the Federal Power Act (16 U.S.C. Sections 824i, 824j, and 824k). In approving the application, the commission may prescribe reasonable conditions to protect the public interest that are consistent with the final order of the Federal Energy Regulatory Commission.

(c-4) ~~[(c-3)]~~ Nothing in Subsection (c-1), ~~[or]~~ (c-2), or (c-3) is intended to restrict the authority of the commission or the independent organization certified under Section 39.151 for the ERCOT power region to adopt rules or protocols of general applicability.

SECTION 2. The changes in law made by this Act in Section 37.051, Utilities Code, apply only to an interconnection made on or after the effective date of this Act. An interconnection made before the effective date of this Act is governed by the law in effect when the interconnection was made, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

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